

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

MAY 14 2002

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

PETITIONER,

VS.

HEALTH RISK MANAGEMENT, INC.

RESPONDENT.

FILED

CONSENT ORDER

CAUSE NO. A- 1468

In order to resolve this matter, the Nebraska Department of Insurance ("Department"), by and through its attorney, Manuel Montelongo, and Timothy D. Moratzka, Bankruptcy Trustee for Health Risk Management, Inc., ("hereinafter referred to as Respondent"), mutually stipulate and agree as follows:

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondent pursuant to Neb.Rev.Stat. §44-101.01, §44-5428 and §44-4001, et seq.

2. Respondent was licensed as a resident utilization review agent under the laws of Nebraska at all times material hereto.

STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a Petition and Notice of Hearing styled State of Nebraska Department of Insurance vs. Health Risk Management, Inc., on April 8, 2002. A copy of the petition and notice of hearing was served upon the Respondent at the Respondent's address registered with the Department by certified mail, return receipt requested.

2. The Petition alleges that Respondent violated Neb.Rev.Stat. § 44-5422(1)(g) as a result of the following conduct:

A. On or about March 13, 2002, Respondent converted the Chapter 11 bankruptcy petition it had filed to a Chapter 7 bankruptcy petition. As a consequence the Respondent will liquidate its assets and not be able to comply with the standards of the American Accreditation HealthCare Commission/URAC as required by Neb.Rev.Stat. § 44-5422.

3. The Respondent was informed of its right to a public hearing. Respondent waives that right, and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving its right to a public hearing, Respondent also waives its right to confrontation of witnesses, production of evidence, and judicial review.

4. Respondent admits the allegations contained in the Petition and restated in Paragraph #2 above.

CONCLUSIONS OF LAW

Respondent's conduct as alleged above constitutes a violation of Neb.Rev.Stat. § 44-5422(1)(g).

CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed to by Timothy D. Moratzka, Bankruptcy Trustee for Respondent Health Risk Management, Inc, that Respondent consents to the revocation of its utilization review agent's license and shall surrender its license to the Department of Insurance within thirty (30) days of the date the Director of Insurance signs this Order. The Nebraska Department of Insurance shall retain jurisdiction of this matter for the purpose of enabling the Respondent or the Department to make application for such further orders as may be necessary.

In witness of their intention to be bound by this Consent Order, each party executed this document by subscribing his or her signature below.

Manuel Montelongo
Manuel Montelongo
Representative for Nebraska
Department of Insurance
941 "O" Street, Suite 400
Lincoln, NE 68508
(402) 471-2201

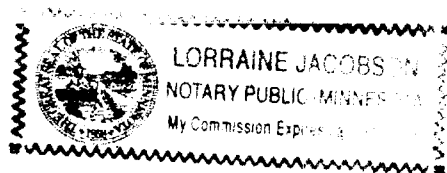
May 13, 2002
Date

Timothy D. Moratzka
Timothy D. Moratzka, Bankruptcy
Trustee for Respondent
901 Marquette Ave Suite 1400
Minneapolis, MN 55402

5/9/02
Date

State of Minnesota)
County of Hennepin) ss.

On this 8th day of May ~~April~~ 2001, Timothy D. Moratzka, Bankruptcy Trustee for Health Risk Management, Inc. personally appeared before me and read this Consent Order, executed the same and acknowledged the same to be his voluntary act and deed.



Lorraine D. Jacobson
Notary Public

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the Nebraska Department of Insurance in the matter of State of Nebraska Department of Insurance vs. Health Risk Management, Inc, Cause No. A- 1468.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

L. Tim Wagner
L. TIM WAGNER
Director of Insurance

5/14/02
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the executed Consent Order was sent to the Respondent at Respondent's registered address of, 10900 Hampshire Avenue South, Minneapolis, MN 55438, it's attorney James L. Baillie, 900 2nd Ave S. Rm 1100, Minneapolis, MN 55402, and the Bankruptcy Trustee, Timothy D. Moratzka, 901 Marquette Ave Suite 1400, Minneapolis, MN 55402, by certified mail, return receipt requested on this 14th day of May, 2002.

Stacy M. Bulfinch